GOVERNMENT OF INDIA
LAW , JUSTICE AND COMPANY AFFAIRS
LOK SABHA

UNSTARRED QUESTION NO:4679
ANSWERED ON:23.08.2001
DONATIONS TO POLITICAL PARTIES
RADHIKA RANJAN PRAMANIK

Will the Minister of LAW , JUSTICE AND COMPANY AFFAIRS be pleased to state:

(a) whether the Government are aware that almost all the political parties are receiving donations from industrial houses and others;

(b) if so, the logic behind accepting such donations;

(c) whether the Government propose to regularize or ban such donations by bringing a legislation in this regard; and

(d) if so, the details thereabout?

Answer

MINISTER OF LAW, JUSTICE & COMPANY AFFAIRS AND SHIPPING (SHRI ARUN JAITLEY)

(a) & (b) The Government is aware that many political parties may have to depend upon political donations so as to maintain their day-to-day affairs and for contesting elections, especially in view of the size of the country and the electorate. The provisions of section 293A of the Companies Act, 1956, permit political contributions in specified circumstances. The Government is not in favour of a total ban on political donations by private companies as it is of the view that the corporate sector should be allowed to play a legitimate role within the defined norms in the functioning of Indian democracy. The Government is, however, not averse to regularizing these donations so as to make the process more transparent.

(c) & (d) There is no proposal to impose blanket ban on such contributions.